

Schedule A1

PACIFICORP - WASHINGTON
 REVENUE REQUIREMENT SUMMARY
 (\$000)

	(1) Company Position	PC Adjustments		Proposed Position
Adjusted Operating Income	\$ 30,602	\$ 3,897	(2)	\$ 34,499
Rate Base	<u>615,154</u>	<u>(48,280)</u>	(2)	<u>566,874</u>
Earned Return on Rate Base	4.97%			6.09%
Proposed Rate of Return	<u>8.75%</u>		(3)	<u>7.51%</u>
Additional Income Required	23,250	(15,161)		8,090
Gross Revenue Conversion Factor	<u>1.6862</u>	<u>-</u>	(4)	<u>1.6862</u>
Revenue Deficiency (Excess)	<u>\$ 39,205</u>	<u>\$ (25,564)</u>		<u>\$ 13,641</u>

Sources:

- (1) Exhibit PMW-3, Page 1.1 - Total Adjusted Results
- (2) Schedule A2
- (3) Testimony of Mr. Hill
- (4) Exhibit PMW-3, Page 1.2

Note: *This schedule shows the total effect of the adjustments proposed in the testimony of PC witness Efron and the effect of the rate of return proposal of PC witness Hill.*

Schedule A2

PACIFICORP - WASHINGTON
 ISSUES SUMMARY
 (\$000)

	<u>Source</u>	<u>Effect on Rate Base</u>	<u>Effect on Operating Income</u>	<u>Effect on Revenue Requirement</u>
Miscellaneous Deferred Debits	(A)	\$ (7,597)	\$ 985	\$ (2,782)
Acquisition Premium	(B)	(7,969)	293	(1,671)
Major Plant Additions	(C)	(31,163)	281	(5,074)
Out of Period Revenue Adjustment	(D)		853	(1,439)
Amortization of Capital Stock Expense	(E)		106	(179)
Incentive Compensation	(F)		581	(979)
IRS Tax Settlement	(G)	(1,551)	388	(883)
Income Tax Calculation	(H)		438	(739)
Interest Synch. Effect - Rate Base	(I)		(582)	981
Interest Synch. Effect - Cap. Structure	(J)	-	553	(933)
Totals		(48,280)	3,897	
Rate of Return				<u>(11,866)</u>
Total Revenue Requirement Effect of Issues				<u>\$ (25,564)</u>

Sources:

(A)	Schedule DJE -2.1			
(B)	Schedule DJE -2.2			
(C)	Schedule DJE -2.3			
(D)	PMW-3 Page 3.3.2	1,439*.59305		
(E)	PMW-3 Page 4.1	171*62.05%		
(F)	Schedule DJE -2.4			
(G)	PMW-3 Page 7.4			
(H)	Schedule DJE -2.5			
(I)	Total of Rate Base Adjustments	\$ (48,280)		
	Weighted Cost of Debt	<u>3.175%</u>	PMW-3, Page 2.1	
	Synchronized Interest Expense	(1,533)		
	Income Tax Rate	<u>37.95%</u>	PMW-3, Page 2.1	
	Income Tax Expense	<u>\$ 582</u>		
(J)	Adjusted Rate Base	566,874		
	Increase to Weighted Debt Cost	<u>0.26%</u>	Testimony of Mr. Hill	
	Synchronized Interest Expense	1,457		
	Income Tax Rate	<u>37.95%</u>	PMW-3, Page 2.1	
	Income Tax Expense	<u>\$ (553)</u>		